

A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF STOCKTON EAST WATER DISTRICT
WAS HELD AT THE DISTRICT OFFICE, 6767 EAST MAIN STREET, STOCKTON, CA
ON TUESDAY, AUGUST 7, 2007 AT NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the meeting to order. The pledge of allegiance was lead by Manager Kauffman.

Present at roll call were Directors Latimer, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Also present were Manager Kauffman, Assistant Manager Thomas, Superintendent Yoshimura, Finance Director Jamosmos, Office Manager Stephens and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes of the 07/31/07 Regular Meeting

A motion was moved and seconded to approve the July 31, 2007 regular meeting minutes, as presented.

Vote: Unanimous approval

2. Non-Potable Water Supply Assessment for the Mariposa Lakes Development Final Draft, 07/27/07

Manager Kauffman provided the Board with the Final Draft of the Non-Potable Water Supply Assessment for the Proposed Mariposa Lakes Development Project (WSA) dated July 27, 2007 from Kennedy/Jenks Consultants. The cost for the consultant's work has exceeded \$50,000.00 and will require additional funding from the developer. The WSA focuses on the non-potable water supply source. Surface water supplies are primarily focused on Central San Joaquin Water Conservation District. In addition, the developer intends to apply for surface water flow from Duck Creek. The conclusion of the WSA focuses on water supply availability results and sufficiency of the water supply. Manager Kauffman indicated Central San Joaquin Water Conservation District will be discussing this issue at their Board meeting on Thursday, August 10, 2007.

A motion was moved and seconded to approve the Final Draft of the Non-Potable Water Supply Assessment for the Proposed Mariposa Lakes Development Project from Kennedy/Jenks Consultants dated July 27, 2007 in compliance with Senate Bill 610 and contingent upon approval from Central San Joaquin Water Conservation District.

Vote: Unanimous approval

3. 2007 Revised Water Delivery Schedule
Manager Kauffman provided the Board with correspondence to U.S. Bureau of Reclamation (Bureau) providing an update on the district's revised CVP East Side Water Delivery Schedule for 2007. Manager Kauffman has requested a revision to the schedule to provide an additional 13,000 AF of water. The Bureau has indicated Central San Joaquin Water Conservation District has not been submitting water delivery schedules. A response from Reclamation on the additional 13,000 AF is expected by this Friday.
4. Mokelumne River Water & Power Authority – MORE Water Project
Manager Kauffman provided the Board with a Draft Work Plan update for the Mokelumne River Regional Water Storage and Conjunctive Use Project (MORE Water Project). Manager Kauffman stated there will be room for alternative project development under Task #3. Director McGurk stated this is a 4-5 year Work Plan and the EIR will take approximately 18-24 months.
5. Farmington Groundwater Recharge & Seasonal Habitat Program
Manager Kauffman provided the Board with updated information on the Water Resources Development Act (WRDA). The House is likely to take up a conference report authorizing \$20 million in United States Army Corps of Engineers water infrastructure projects. Doyce Boesch will be in Stockton on Monday, August 13, 2007 and will be able to provide staff with updated information.
6. DWTP - Efficiency Enhancement Project - Finished Water Pumping Station HDR Letter
Manager Kauffman provided the Board with correspondence from HDR informing the district any costs associated with time lost due to incorrect couplings supplied by the contractor will be borne by the contractor. Superintendent Yoshimura indicated the 5-day demonstration test has not been completed. Manager Kauffman directed staff to contact John Gipe with HDR to discuss substantial completion of the project.
7. Water/Wastewater Agency Response Network, Statewide Mutual Assistance – Agreement Updates
Assistant Manager Thomas provided the Board with a proposed modified Agreement on the California Water/Wastewater Agency Response Network (WARN) 2007 Omnibus Assistance Agreement. The district is currently a member agency of WARN. Modifications to the Agreement require a majority vote of the signatory agencies within each region. Legal Counsel Zolezzi was asked to review the Agreement and provide direction at the August 14, 2007 Board meeting.

E. COMMITTEE REPORTS

1. San Joaquin County & Delta Water Quality Coalition Steering Committee Meeting, 08/01/07
Director Latimer reported on the August 1, 2007 San Joaquin County & Delta Water Quality Coalition Steering Committee Meeting. Dichloro-Diphenyl-Trichloroethane (DDT) and Methylmercury are showing up in samples. Technical Advisory Committee recommendations are being implemented into the Monitoring Program Report. Marsh Creek has been removed from the sampling sites. E-coli studies are complete. Meetings

are being held with growers where exceedances are found and are proving to be effective. The next meeting is scheduled for Wednesday, September 7, 2007.

Director Latimer reported the Concerned Citizens Coalition will be hosting a reception (celebration party) on Saturday, August 25, 2007.

2. Mokelumne River Forum Meeting, 08/02/07

Director McGurk reported on the August 7, 2007 Mokelumne River Forum Meeting. The group gave individual agency updates on developments since the last meeting. Several agencies in the Bay Area are working on constructing a desalination plant. East Bay Municipal Utility District representatives are meeting with customers on the downstream side of the Mokelumne River to educate them on the Principals of Agreement. The City of Lodi has hired Western Water Contractors to construct their wastewater facility. Calaveras County Water District has received inquiries from agriculture interests to use their recycled wastewater. Amador Water Agency has hired USR Engineering to develop a study on the expansion of the Lower Bear Reservoir. The primary purpose of the meeting was to kick off WRIME's work on two tasks related to the I-RCUP. Matt Zidar with WRIME Engineering will be developing a summary of I-RCUP options based on water availability and proposed projects and developing a work plan for the I-RCUP. The group also discussed the MOA and governance options. The next meeting is scheduled for Thursday, September 6, 2007.

3. SAWS Meeting, 08/06/07

Manager Kauffman reported on the August 6, 2007 SAWS Meeting. Superintendent Yoshimura gave an update on the Finished Water Pump Station Modification Project, Water Availability Study and State Revolving Funding through the Department of Health Services. Main discussions focused on the Water Treatment Plant Expansion Study from Black & Veatch. The group discussed the OID/SSJID Water Transfer Agreement. Bob Granberg gave an update on the Delta Water Supply Project. City staff continues to negotiate with CDM for the design-build or design-bid-build contract for the new DWTP.

F. REPORT OF THE GENERAL MANAGER

1. M&O Superintendent's Report as of 08/01/07

Superintendent Yoshimura reported there is approximately 148,272 AF in storage at New Hogan. Current releases are set at 290 cfs. There is approximately 1,550,000 AF in storage at New Melones. The water treatment plant is currently processing 60 mgd. Assistant Manager Thomas reported water has not been pulled from the Bellota pipeline in 4 years and the pumps are not fully operational. At 10,000 gpm, there is not enough supply to provide the customers on Potter Creek. The district is currently pumping water out of Mormon Slough into Potter Creek. Customers diverting water from Potter Creek will be informed of the situation.

2. Information Items

Manager Kauffman noted items F2a-7 and F2a-8.

G. DIRECTOR REPORTS

Director McGaughey stated there was an article in the July 23, 2007 issue of ACWA reporting on a recent poll of Californians. The results of the poll indicated the majority of Californians were unaware of problems associated with water supply issues. Director McGaughey inquired on how to keep these people informed of the water supply issues. Manager Kauffman replied this district relies on ACWA, the media, SAWS, etc. to educate the public on water supply issues. Director McGurk stated Tim Quinn with ACWA has vowed to raise \$11 million specifically for these types of efforts. President Panizza directed staff to provide Alex Breitler with information on the upcoming drought workshops.

H. REPORT OF COUNSEL

1. Water Rights Applications

Legal Counsel Zolezzi provided the Board with updated information on the Water Right Applications protests.

I. COMMUNICATIONS (None)

J. AGENDA PLANNING FOR THE NEXT MEETING

1. Green Team San Joaquin Meeting, 9:00 a.m., 08/08/07

2. Northeastern San Joaquin Groundwater Banking Authority Board Meeting, 9:30 a.m., 08/08/07

3. Mountain Counties Water Resources Association Meeting, 10:00 a.m., 08/10/07

4. Special Meeting of the Stockton East Water District Board of Directors, 12:00 p.m., 08/16/07

Manager Kauffman provided the Board with a draft agenda for the Special Meeting to be held August 26, 2007 for interviews for Division 3 Director candidates. Staff was directed to add "Possible Appointment of Division 3 Director" to the agenda.

President Panizza adjourned the meeting to closed session at 1:45 p.m. to discuss closed session items. The regular meeting reconvened at 3:02 p.m. with no reportable actions.

K. ADJOURNMENT

The meeting was adjourned at 3:05 p.m.

Respectfully submitted,

Kevin Kauffman
Secretary of the Board

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